

Information on Automatic Exchange of Tax Information reporting

## A) Legal provisions and context of the Automatic Exchange of Tax Information (“AEOI”) in Hong Kong

Banque Pictet & Cie SA, Hong Kong Branch (“the Bank”) is a reporting Financial Institution and is required, based on the Inland Revenue (Amendment) (No. 3) Ordinance 2016 (“CRS Regulations”), to report information regarding certain accounts and follow related due diligence procedures. These requirements are consistent with the scope of exchange under the Common Reporting Standards (“CRS”) endorsed by the OECD and the Global Forum for Transparency and Exchange of Information for Tax Purposes, as well as by other applicable bilateral and multilateral Competent Authority Agreements (“Agreement”) that regulate the implementation of the AEOI. The CRS Regulations were implemented under a phased timeline, with due diligence procedures commencing from 1 January 2017. Hong Kong will commence the first exchanges of information by the end of 2018.

The CRS Regulations are the legal basis for implementing the AEOI Standard in Hong Kong.

## B) Information to be reported

The reportable information includes personal data and information concerning the reportable account. The Bank must report the following information with respect to each reportable account to the Hong Kong Inland Revenue Department (“IRD”):

- Name, address and date of birth of the account holder, the beneficial owner and/or the controlling person;
- Tax Identification Number<sup>1</sup> (“TIN”) of the account holder, the beneficial owner and/or the controlling person;
- Number of the account held by the reporting Bank;
- Name and identification number (where available) of the reporting Bank;
- Account balance as at year-end or the indication that the account was closed if the account was closed in the course of the year;
- Total gross amount of dividends, interest and other income as well as gross proceeds from the sale or redemption of financial assets paid or credited to the account

## C) Hong Kong’s partner jurisdictions

Reporting Hong Kong Financial Institutions are required to report information on reportable accounts held by reportable persons annually to the IRD. After receiving this information, the IRD exchanges the information with the reportable person’s country of residence. Information is exchanged with partner jurisdictions only.

The list of the agreements for the introduction of the AEOI signed by Hong Kong with the partner jurisdictions – which is kept up to date at all times – is available at [http://www.ird.gov.hk/eng/tax/aeoi/rpt\\_jur.htm](http://www.ird.gov.hk/eng/tax/aeoi/rpt_jur.htm)

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<sup>1</sup>The TINs to be reported are the TINs assigned to the account holder or to the controlling person by its reportable jurisdiction of residence. Information on the TINs (the type and the format) of the jurisdictions that have implemented the AEOI is available on the OECD’s website: <https://www.oecd.org/tax/automatic-exchange/crs-implementation-and-assistance/tax-identification-numbers/>. It should be noted that some jurisdictions do not assign TINs.



#### **D) Confidentiality and data safeguards**

Generally, the information exchanged may be made available only to tax authorities of a partner jurisdiction in which the reportable person is resident and may be used only for tax purposes referred to in the Agreement and the Convention on Mutual Administrative Assistance in Tax Matters (“Convention”).

In principle, the receiving partner jurisdiction is prohibited from forwarding the received information to another jurisdiction, and it must treat the information as confidential.

As a rule, the receiving partner jurisdiction may make the information exchanged available solely to persons and authorities responsible for handling or supervising taxation in that country.

All information exchanged is subject to the confidentiality rules and other safeguards provided for in the Convention, including the provisions limiting the use of the information exchanged and, to the extent needed to ensure the necessary level of protection of personal data, in accordance with the safeguards that may be specified by Hong Kong as required under its domestic law and listed in the annex of the Agreement.

#### **E) Additional assistance regarding AEOI**

The IRD has issued guidance and reference materials such as pamphlets and frequently asked questions. Customers should refer to the IRD website for more details: [http://www.ird.gov.hk/eng/tax/dta\\_aeoi.htm](http://www.ird.gov.hk/eng/tax/dta_aeoi.htm).

In addition, clients may refer to the OECD’s AEOI portal for information regarding the definition of tax residency and TINs in different jurisdictions.

The website is <http://www.oecd.org/tax/automatic-exchange/crs-implementation-and-assistance/>.

Please note that the Bank is not authorised to offer any tax advice, in particular the determination of tax residency or entity classification, to clients. As such, if there are any tax-related questions that cannot be resolved, clients should seek advice based on their own circumstances from professional legal and/or tax advisors.

#### **F) Protection of personal data**

With respect to information collected by the Bank and reported to the competent authorities of partner jurisdictions, persons subject to the reporting obligation shall have rights in relation to the Bank and the IRD as set out in the Personal Data (Privacy) Ordinance (“PDPO”).

For further information on how the Bank processes personal data and the extent of the rights of persons subject to reporting, please refer to the “Pictet Group Privacy Note”, available on the Pictet Group website.

